



Director of  
Central  
Intelligence

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

Top Secret

25X1

# National Intelligence Daily (Cable)

16 May 1979

On file USDA release instructions apply.

25X1

Top Secret

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

Copy

538

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

National Intelligence Daily (Cable)

25X1

Contents

Briefs and Comments

|   |   |
|---|---|
| USSR: <i>Grain Imports from US</i> . . . . .            | 1 |
| USSR - Eastern Europe: <i>Crop Conditions</i> . . . . . | 2 |
| Afghanistan: <i>Growing Opposition</i> . . . . .        | 3 |
| Ghana: <i>Military Intervention</i> . . . . .           | 4 |
| Yugoslavia: <i>Presidium Reshuffle</i> . . . . .        | 5 |

25X1

|  |   |
|--|---|
| East Germany: <i>Restrictions on Journalists</i> . . . . . | 6 |
|--|---|

25X1

Special Analysis

|  |   |
|--|---|
| Mexico: <i>Impact of Agricultural Developments</i> . . . . . | 8 |
|--|---|

25X1

BRIEFS AND COMMENTS

USSR: Grain Imports from US

*//Soviet grain imports from the US will reach close to 15 million tons in the 1979 contract year ending in September, according to the US agricultural attache to Moscow. This is the maximum amount allowed for 1979 under the bilateral five-year Long-Term Grain Agreement that expires in 1981. This amount, plus 2.5 million tons of grain expected from non-US suppliers, will cost the Soviets some \$2.5 billion, \$700 million more than the average outlays in the past two contract years.*

25X1

The Soviet intention to purchase this much US grain this year is somewhat surprising. The record grain harvest last year and imports of 21 million tons should have left the Soviets in a comfortable position. Moscow's attempt to regain momentum in livestock output by greatly accelerating the use of feedgrains may account at least in part for the surge in domestic use. The Soviets may also be hedging against the possibility of a poor 1979 harvest or of paying higher prices for grain later in the year. Moscow can postpone a portion of its purchases to the 1980 contract year should crop conditions prove favorable.

25X1

Up to a few weeks ago, Moscow showed little interest in taking the maximum allowed under the agreement. Large purchases of US corn last week, however, brought total known grain purchases for the year so far to roughly 10 million tons--2.5 million tons of wheat and 7.4 million tons of corn. Even if the Soviets buy 15 million tons of US grain by 30 September, US logistic constraints may restrict deliveries within this period.

25X1

Recent upward pressure on grain prices is expected to continue--in part propelled by the Soviet purchases. Possible increased Soviet activity in the wheat market will also add additional strength to wheat prices, which are already substantially above last year's and have been steadily rising since early April.

25X1

25X1

25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

USSR - EASTERN EUROPE: Crop Conditions

*Reduced Soviet winter grain area and delayed spring seeding make it unlikely that the Soviets will repeat last year's record grain harvest--237 million tons--or meet this year's planned 227 million tons. Favorable weather in the next few months, however, could allow total grain production to exceed the 200-million-ton average of recent years. In Eastern Europe, grain production could reach the recent average of 92 million tons.*

25X1

The sharply reduced Soviet winter grain harvest expected this year results from problems during seeding last fall and slightly more than normal damage to the crops over the winter and this spring. We estimate that the Soviets will harvest only 26 to 28 million hectares of grain--compared to 32 million hectares last year. Favorable soil moisture levels and good weather this month and next could nevertheless ensure good yields. Winter grain output, which normally accounts for about one-third of the Soviets' total grain production, could still approximate the recent yearly average level of about 60 million tons.

25X1

25X1

In Eastern Europe, grain prospects are mostly favorable, and at least average yields are expected. Winterkill was probably below average, with only Hungary reporting any sizable losses--about 10 percent. Spring planting was mostly successful, despite delays caused by heavy rainfall. Poland, hardest hit by flooding, reported delays of up to three weeks. Soil moisture in Eastern Europe is slightly above normal.

25X1

25X1

25X1

## AFGHANISTAN: Growing Opposition

*//Violent opposition to the leftist regime continues to grow. [redacted] periodic interdiction of the roads from Kabul to the important cities of Mazar-i-Sharif in the north and Qandahar in the south, and the rebels may soon be able to interdict the route from Kabul to Peshawar in Pakistan--the last relatively secure main outlet from the capital. The tribal uprising in Nangarhar Province is spreading closer to the Kabul-Peshawar road east of Jalalabad, [redacted]*

*[redacted] the military had serious command and control problems last week when it suppressed a revolt by villagers on the outskirts of Kabul; 42 Afghan Army personnel were reportedly killed in the action. High casualties, disaffection among and purges of the military, and the lack of replacement troops will continue to hamper efforts to deal with the insurgents. Heavily armed youths are becoming a standard supplement throughout the country to police and military forces.*

[redacted]

*The government continues to charge Pakistan and "hostile international forces" with backing the insurgents and contributing to the deteriorating domestic security situation. President Taraki last week warned again that further "interference" from Pakistan would force Afghanistan to retaliate, presumably by stepping up support for separatist movements inside Pakistan. Prime Minister Amin echoed the charge and added that "dollars and pounds" are paying for the dissidents' weapons. Amin hinted that any further threat could result in increased military assistance from Afghanistan's "friends"--an obvious reference to the Soviets. [redacted]*

[redacted]

25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

GHANA: Military Insurrection

*//Forces loyal to the government of General Akuffo early yesterday quickly crushed an insurrection by a disgruntled junior Air Force officer and a handful of followers. Accra is calm, and we do not believe this incident will impede Ghana's scheduled transition to civilian rule in July.//*

25X1

*//The short-lived uprising apparently was an effort by an obscure flight lieutenant to redress personal grievances over his treatment by the Air Force rather than an attempt to overthrow the government or to prevent a return to civilian government. According to radio Ghana, all the insurrectionists are in custody and are undergoing interrogation. The rebels took control of the military air station in Accra for about six hours and besieged a nearby Army barracks before surrendering. Reportedly one soldier was killed and a few others wounded.//*

25X1

*//Civilian presidential and parliamentary elections will probably be held as scheduled on 18 June. The insurrection, however, is likely to underscore to incoming civilian leaders the need to keep the military establishment placated. There already is public pressure for the next government to bring a former head of state, General Acheampong, to trial for corruption and mismanagement. A military coup could ensue if the process of ferreting out Acheampong's misdeeds leads to indiscriminate attacks on military leaders.//*

25X1

25X1

25X1

YUGOSLAVIA: Presidium Reshuffle

*President Tito has reshuffled duties within the powerful party Presidium on the eve of his trip to the Soviet Union in such a way as to suggest that the political fortunes of Stane Dolanc are on the rise.*

25X1

The party secretary originally had power to oversee both party policy and administrative machinery. The decision to go to a collective leadership last October and the simultaneous creation of a new policy coordinator post, Presidium chairman, left Dolanc with mundane duties.

25X1

A plenum yesterday downgraded the Presidium secretary post to a two-year rotational position and gave it to Dusan Dragosavac, a Serb from Croatia.

25X1

25X1



25X1

[REDACTED] Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

25X1

EAST GERMANY: Restrictions on Journalists

Determined to restrict its dissidents' access to Western media, East Germany has begun to enforce new restrictions on foreign news correspondents. According to Reuter, the government has ordered a West German correspondent out of the country after his unapproved interview with dissident Stefan Heym, which was broadcast in West Germany and received in the East. The recent regulations require prior official approval for all interviews of East Germans by foreign journalists. Some Western newsmen, in attempting to comply with the regulations, have sought--and been refused--permission to interview Robert Havemann, a well-known critic of the East German Government.

25X1

25X1

[REDACTED] Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

25X1

[REDACTED]

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

## SPECIAL ANALYSIS

### MEXICO: Impact of Agricultural Developments

25X1

[REDACTED]

*Many observers of the Mexican economy and society have outdated concepts of the role of agriculture in Mexico. Mexico in fact is no longer primarily an agricultural country; it is an urban, industrial nation--similar in a number of respects to the US in the 1920s and 1930s. Agriculture is destined to become steadily less important to the Mexican economy, but the farm sector is essentially in good health. Developments in Mexican agriculture will affect three areas of primary interest to the US--illegal migration, trade, and political stability.*

[REDACTED]

25X1

As the Mexican economy has become more modernized, agriculture has become increasingly dualistic. On the one side, a growing number of farmers and their hired hands, especially in the north, are obtaining near-urban standards of living from capital- and land-intensive farms and ranches. On the other side, the majority of Mexican peasants on collectively owned plots, called *ejidos*, and on small private holdings are falling steadily behind their compatriots both on commercial farms and in the cities.

[REDACTED]

25X1

Coupled with the explosive growth in population, this has produced a steady flow of poor peasants to the cities and to more prosperous farming areas. The only peasants able to maintain near-urban living standards on small holdings in central Mexico are those who make periodic work trips to the US. The rural-urban flow will continue until some kind of equilibrium is established between opportunities and living conditions in urban slums and those in rural small holdings. Given the population problem, such an equilibrium is unlikely before the 1990s at the soonest.

[REDACTED]

25X1

Authors often state four pessimistic themes--essentially myths--in writing on the rural sector of Mexico.

25X1

--continued

25X1

The first, and most pervasive, is that Mexican agriculture is in crisis. In truth, total agricultural exports generally have exceeded agricultural imports by a wide margin throughout the 1970s. The daily food intake of the average Mexican is well above the Latin American average. Although agricultural output did not keep pace with population growth during most of the 1970s, agricultural output has been recovering since President Lopez Portillo took office in late 1976 and now appears to be growing above the population growth rate. [REDACTED]

25X1

A second myth holds that Mexican agricultural policy is usually inappropriate and often irrational. Actually, Mexican agricultural policy has been highly successful in achieving its goals--the maintenance of peace in the countryside and preservation of a farm sector able to supply the country's needs without diverting substantial resources and talent from other sectors. Agricultural policy also serves to maintain the viability of Mexico's unique political system. [REDACTED]

25X1

According to the third myth, Mexico lacks the land and water resources to expand production. Given the proper investments, however, extensive new areas could be opened and existing farm areas could be much better utilized. Tropical areas in the south are especially promising. These areas offer more favorable conditions for year-round cropping than northern areas. Neither the government nor private businessmen are likely to make the investments required, however, unless they are sure their products will bring prices high enough to make their investment economically rational. [REDACTED]

25X1

The fourth myth centers on the notion that the Mexican rural sector is a social and political powderkeg. In rapidly urbanizing Mexico, the landless peasant is becoming steadily less convinced that land ownership is the key to getting ahead. An even more important factor defusing rural tensions is the opportunity for the most ambitious workers to migrate on either a temporary or permanent basis. [REDACTED]

25X1

Another, more optimistic, myth suggests that--with the proper mix of government policies and a little luck--a revitalized agricultural sector could go a long way toward solving Mexico's social and demographic problems.

--continued

25X1

25X1

[REDACTED]

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

A mild form of this myth is implicit in the prescriptions of many international organizations and Mexican planners. Although many of these programs are valuable, there is no way that they can fulfill the high expectations held out for them. Even if the government gives high priority to agricultural development, the growth of employment in agriculture will not be great enough appreciably to affect rural-urban migration or national unemployment rates. Peasants will continue to flee the land until some sort of income equilibrium with urban areas is reached. [REDACTED]

25X1

25X1 Mexican agricultural development touches important areas of interest to the US. [REDACTED]

Illegal Migration: Under any probable scenario for Mexican agricultural development, the pool of potential rural migrants to the US will remain at least as large as it is today, though the relative importance of rural areas as a source of illegal migration will probably decline. Government programs that concentrate on the poorest rural people would probably exacerbate the situation by dislodging additional people from their traditional ways as well as by providing increasing numbers with the funds needed to make the trip north. [REDACTED]

25X1

25X1 Agricultural Trade Balances: The potential for Mexican agricultural trade is highly sensitive to access to the US market as well as the growth rates of population and nonagricultural output. Under the most likely scenarios, the surplus of agricultural production over domestic consumption will range between zero and 10 percent by the end of the century. This assumes that agricultural growth rates approaching the historic rate of 3.9 percent can be achieved if Mexico undertakes substantial investments in the agricultural sector. Any sizable cut in US demand could make this growth rate impossible to achieve even though some diversification of Mexican agricultural export markets can be expected in the future. Despite Mexico's drive for self-sufficiency in basic foods, production shifts to higher value food items will likely prolong Mexico's dependence on US grains and oil-seeds. [REDACTED]

25X1 Political Stability: Given the steady decline in the political, demographic, and economic importance of rural Mexico, the danger of serious political trouble in

--continued

the countryside is waning. Rural migrants in urban slums are not likely to become a destabilizing factor unless the system comes under severe challenge from middle-class groups. The declining political importance of the easily co-opted peasant organizations, however, could leave the government without one of its major sources of support. The effect would be to give greater power to groups in labor, the middle class, and big business, which are harder to control.

25X1

**Top Secret**

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6

**Top Secret**

Approved For Release 2004/07/08 : CIA-RDP79T00975A031400140002-6